

The Historic Homes Rehabilitation Tax Credit is intended to provide a 30% tax credit voucher, up to \$30,000 per dwelling unit on eligible rehabilitation expenditures that meet the \$15,000 minimum expenditure level and can be directly attributed to the long-term preservation of the historic building fabric.

To qualify an applicant must meet ALL of the requirements below:

The historic home must be listed either individually on the National or State Register of Historic Places, or as a contributing resource in a State or National Register of Historic Places District.

Currently, you can search the SHPO database for [the southern half of the state](#).

You may [contact SHPO](#) for information on the northern half of the state.

The historic home must contain between 1-4 housing units. Mixed-use properties are ineligible.

The owner must be a taxpayer filing a state of Connecticut tax return who possesses title to the historic home, or prospective title to an historic home in the form of a purchase agreement or option to purchase, or a nonprofit housing corporation that possesses such title or prospective title. For homeowners with a purchase agreement or option to purchase, they must possess title by the time the part 3 application is submitted.

The owner must spend a minimum of \$15,000 in approved qualified rehabilitation expenses.

The rehabilitation work must meet the Program's Standards for Rehabilitation.

At least 1 unit must be the owner's primary residence.

There is a multi-part application process. SHPO staff recommend planning ahead. SHPO staff have 30 days to review each application. If work has started, the project is in-eligible.

The application process is as follows:

BEFORE STARTING WORK

File part 1 and part 2 applications

AFTER COMPLETING WORK

File part 3 and part 4 applications

The part 1 application includes pictures of all 4 sides of the home, outbuildings and street views to determine if the building is historic.

The part 2 application lists each project and a detailed scope of work for each. Photographs are required and an estimated amount backed by a quote is required for each project.

The part 1 and part 2 application must be submitted BEFORE any work begins.

A tax credit reservation is issued when the part 2 application is approved. The reservation is the amount of money set aside while the owner completes the project—it is calculated based on 30% of the total anticipated project costs. The applicant has 5 years to complete the work before the reservation amount expires. SHPO adds a 10% contingency.

By statute there is no provision for increasing the amount of a tax credit reservation if the work comes in higher in cost than anticipated.

The part 3 application is submitted AFTER the work is completed. It includes finished project photographs and receipts or cancelled checks showing that the work was paid for in full and was done according to the approved scope of work in the part 2 application.

The reservation turns into the voucher when the part 3 application is approved. The final voucher amount may vary from the reservation amount. At the end of the project, the applicant will earn the lesser of either the tax credit reservation, or 30% of the project's final qualified rehabilitation expenditures.

The part 4 application certifies that the property will serve as a primary resident for 5 years or be sold to a new owner who will occupy the property during the five-year occupancy period. After the part 4 application is approved, SHPO will issue a paper historic tax credit voucher, which can then be sold to a C-Corporation to off-set their state income tax. If an applicant uses SHPO to facilitate the sale of the voucher, there is no guaranteed timeline for payment by the C-Corporation.

Ineligible projects are as follows:

- The cost of site improvements, unless to provide building access to persons with disabilities
- Any cost associated with the rehabilitation of an outbuilding unless such building contributes to the historical significance of the historic home
- Any non-construction costs such as architectural fees, legal fees, and financing fees
- Replacement of historic building fabric unless it is in-kind and the feature is beyond repair
- New construction, new additions
- Changes to the historic floorplan
- Sprayfoam insulation
- Cosmetic upgrades
- New appliances or fixtures
- Blinds, shades, lamps, carpets
- Landscaping, driveways, fences
- Wood substitutes such as Hardie board
- Vinyl siding

Eligible projects are as follows:

- Restoration rather than renovation
- Porch
- Steps (exterior)
- Doors (exterior)
- Windows
- Storm Windows
- Shutters
- Chimneys
- Roof
- Gutters/ downspouts
- Painting (exterior)
- Carpentry (exterior)
- Foundation
- Lightning protection
- Repointing
- Abatement of hazardous materials
- Structural repairs and stabilization
- Doors (interior)
- Staircases
- Decorative ornamentation, moldings
- Paneling
- Floors (existing wood floors, historic tiles)
- Millwork
- Painting (interior)
- Plaster repairs
- Heating, Ventilating, Air Conditioning
- Plumbing
- Electrical wiring
- Fire suppression
- Basement
- Wells
- Septic system
- Geo-thermal system

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State Historic Preservation Office

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Applications are reviewed based on the following standards:

The following Standards for Rehabilitation are the criteria used to determine if a rehabilitation project qualifies as a certified rehabilitation. The intent of the Standards is to assist the long-term preservation of a property's significance through the preservation of historic materials and features. The Standards pertain to historic buildings of all materials, construction types, sizes, and occupancy and encompass the exterior and the interior of historic buildings. The Standards also encompass related landscape features and the building's site and environment, as well as attached, adjacent, or related new construction. To be certified, a rehabilitation project must be determined by the Secretary to be consistent with the historic character of the structure(s) and, where applicable, the district in which it is located. The following Standards are to be applied to specific rehabilitation projects in a reasonable manner, taking into consideration economic and technical feasibility.

- A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
- The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
- Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
- Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
- Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
- Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
- Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
- Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
- New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
- New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

Source: <https://www.nps.gov/tps/standards/rehabilitation.htm>